



DATE: June 30, 2009

TO: Commissioner Bill Bird
Commissioner Greg Drees
Commissioner Richard Francisco
Commissioner Elizabeth Garst
Commissioner Tammi Kircher
Commissioner Carol Kramer
Commissioner Janelle Rettig

FROM: Michelle Wilson, Project Manager, Honey Creek Resort State Park (HCRSP)

RE: Honey Creek Resort State Park May 2009 Operation Income Statements and Construction Update

Enclosed you will find Central Group Companies Inc.'s operations income statement for the month of May 2009 as received by the Department on June 29, 2009. On Memorial Day Weekend alone we had 2,503 vehicles enter the park. With an average of 3.2 people per car 8,210 people visited the park.

Food and Beverage

In May, Central Group Companies Inc. reported that there were 10,826 covers served, up from 6,204 covers in April and higher than budgeted. According to the pro forma, food expenses still continue to exceed budget year-to-date.

The following is the breakdown of food and beverage covers and total sales for Memorial Day Weekend.

DATE	BREAKFAST	LUNCH	DINNER	TOTAL	TOTAL SALES
Fri 5/22	39	95	277	412	\$5,374.00
Sat 5/23	155	201	417	773	\$10,153.00
Sun 5/24	241	359	919	1519	\$13,584.00
Mon 5/25	175	191	138	504	\$5,469.00
				3208	\$34,580.00

Occupancy

May 2009

	Iowa Market	Regional Market	Honey Creek RSP	FY09 Pro Forma
Occupancy	52%	42%	45.1%	45%
Average Daily Rate	\$70.55	\$119.89	\$98.75	\$97.50

Preliminary reports received from Central Group Companies, Inc. show occupancy for June in the lodge at 46.8 percent and cabin occupancy 65.6 percent.

Sales and Marketing

May was spent planning a Travel Writer's Event on June 2, 2009 in partnership with the Department of Economic Development, along with planning for RAGBRAI, Summer Splash and the 2009 Iowa State Fair. The Department has been working closely with Central Group Companies, Inc. through weekly meetings as an angler's cabin special promotion, School's Out promotion and press releases were developed for late May and June to expand weekday bookings. Honey Creek Resort State Park continues to improve its website, and is now using social marketing media tools for communication, including Facebook and Twitter. There is also a Facebook site for Honey Creek interpretive programs that will be blended into the main HCRSP Facebook page. The sales and marketing team plans to partner with the Hawkeye Sports Network for spring and fall promotions, especially targeting corporate partners through a golf tournament sponsorship, and fall football promotions. The resort will also have a large presence one of the Internet's more effective resort search engines, www.resortsandlodges.com

The Preserve

For May, golf is again under for the month on revenue, but has saved in expenses. Continued rainy weather in May kept many people away from the course. As reported in the variance report from Central Group Companies, Inc., the golf course staff are working to provide a variety of offerings and coordinating with specific marketing efforts to drive customers.

Construction

The Hansen Company has completed all the elements in the hardscape. The back has been seeded with a 20-foot buffer of "low grow no mow" grasses close to the lodge and the rest into a native grass seeding with the seed provided by the IDNR Prairie Seed Harvest Team. The marina was operational by Memorial Day weekend and the Hansen Company and their sub-contractor completed the ice damage repair on the docks and replaced the sunken finger.

The RV park was open for Memorial Day weekend but the boat ramp was not. We will continue to wait for the lake levels to lower so that we may place the boat ramp as designed. Wicks Construction is completing work on the trails but has been delayed due to the rainy weather in May. The day-use area concrete is complete and the finish work and seeding is also being completed.

All cabins are now being utilized. The Department of Public Safety requirements have been completed in the handicap-accessible cabins and we have received the occupancy permit.

Capital Budget

The capital budget now reflects the actual revenue from FY09 as received by the Department and FY10 Iowa Values Funds per legislation. FY 09 Values funds were cut \$189K, not 20 percent as noted in a letter from the Department of Economic Development. FY 10 Department of Economic Development Values funds amount were cut to \$900,000.

There are line items in the budget that are now closed with no further expenses expected. The budget has therefore been adjusted to reflect the actual expenses in those lines. This will continue as we close out projects on property.

Honey Creek Resort State Park
Project Budget

Budget Category		Source of Funds				Total	Expended to Date	Balance Remaining	Total						
		General	Honey Creek	MFT	P & I										
Non-Construction Expenses															
Pre Bond Expenses from 2002/2003 appropriation		\$	1,850,000.00			\$	1,850,000.00	\$	1,849,838.00	\$	162.00	\$	1,850,000.00		
Staff, misc. expenses		\$	1,050,000.00			\$	1,050,000.00	\$	1,077,535.35	\$	(27,535.35)	\$	1,050,000.00		
Architecture & Engineering		\$	3,492,729.00			\$	3,492,729.00	\$	3,238,721.90	\$	254,007.10	\$	3,492,729.00		
Art Project		\$	225,000.00			\$	225,000.00	\$	191,565.00	\$	33,435.00	\$	225,000.00		
Legal		\$	150,000.00			\$	150,000.00	\$	179,975.30	\$	(29,975.30)	\$	150,000.00		
Preopening Compensation		\$	958,936.00			\$	958,936.00	\$	993,366.94	\$	(34,430.94)	\$	958,936.00		
Construction Packages															
Golf Course & Grading		\$	5,645,961.65	\$	46,702.61	\$	1,242,334.03	\$	6,934,998.29	\$	6,892,498.29	\$	42,500.00	\$	6,934,998.29
Golf Buildings		\$	799,587.00					\$	799,587.00	\$	773,145.80	\$	26,441.20	\$	799,587.00
Lodge Base Bid	\$	19,340,000.00													
Approved Change Orders (Including Hardscape)	\$	1,409,011.00													
Total Lodge Package		\$	20,749,011.00			\$	20,749,011.00	\$	20,338,467.91	\$	410,543.09	\$	20,749,011.00		
Sewer System and Lagoon		\$	1,421,634.00	\$	403,361.00		\$	1,824,995.00	\$	1,198,966.77	\$	626,028.23	\$	1,824,995.00	
Docks		\$	-	\$	435,300.00		\$	435,300.00	\$	327,203.00	\$	108,097.00	\$	435,300.00	
Roads and Parking		\$	1,212,104.10	\$	757,677.92	\$	4,614,384.98	\$	6,584,167.00	\$	6,043,469.07	\$	540,697.93	\$	6,584,167.00
Landscaping and Signs		\$	138,875.00				\$	138,875.00	\$	56,792.42	\$	82,082.58	\$	138,875.00	
Cabins Base Bid	\$	5,058,000.00									\$	-	\$	-	
Alternate 1 - Geothermal	\$	218,000.00													
Alternate 2 - Concrete pads	\$	23,100.00													
Approved Change Orders	\$	110,100.00													
Total Cabin Package		\$	5,409,200.00			\$	5,409,200.00	\$	5,094,093.33	\$	315,106.67	\$	5,409,200.00		
Activity Building		\$	350,000.00			\$	350,000.00			\$	350,000.00	\$	350,000.00		
Playground		\$	200,000.00			\$	200,000.00	\$	9,557.00	\$	190,443.00	\$	200,000.00		
Beach		\$	200,000.00			\$	200,000.00			\$	200,000.00	\$	200,000.00		
Equipment and Furnishings															
Golf Course Equipment		\$	464,315.40	*		\$	464,315.40	\$	464,315.40	\$	-	\$	464,315.40		
Experience Plan - Interpretation		\$	50,000.00			\$	50,000.00	\$	30,694.86	\$	19,305.14	\$	50,000.00		
Lodge FFE		\$	3,025,339.63	*		\$	3,025,339.63	\$	3,025,339.63	\$	-	\$	3,025,339.63		
Lodge FFE Design		\$	268,258.34	*		\$	268,258.34	\$	268,258.34	\$	-	\$	268,258.34		
Cabin FFE		\$	732,513.17			\$	732,513.17	\$	712,513.17	\$	20,000.00	\$	732,513.17		
Contingency and Bond Requirements															
Change Orders & Contingency	\$	-													
Change Orders & Contingency - Cabins	\$	-													
Total Change Orders & Contingency		\$	-			\$	-			\$	-	\$	-		
Operating Reserve Fund		\$	500,000.00			\$	500,000.00	\$	141,036.00	\$	358,964.00	\$	500,000.00		
Additional Operating Contingency (First Bond Payment due 6/1/09)		\$	753,743.00			\$	753,743.00	\$	705,945.86	\$	47,797.14	\$	753,743.00		
Total Expenditures		\$	49,647,207.29	\$	1,643,041.53	\$	5,856,719.01	\$	57,146,967.83	\$	53,613,299.34	\$	3,533,668.49	\$	57,146,967.83
Source of Funds															
Appropriations (pre-FY09)		\$	5,500,000.00			\$	5,500,000.00								
Appropriations (FY09)		\$	8,000,000.00			\$	8,000,000.00								
Bond Proceeds		\$	28,000,000.00			\$	28,000,000.00								
Other (interest)		\$	1,801,399.83			\$	1,801,399.83								
Appanoose County		\$	357,250.00			\$	357,250.00								
Monroe County		\$	357,250.00			\$	357,250.00								
Rathbun Lake Resort, Inc. (RLR)		\$	1,535,500.00			\$	1,535,500.00								
SWAP/Waste Tire Funds		\$	200,000.00			\$	200,000.00								
EPA Funds for bioretention		\$	100,000.00			\$	100,000.00								
FY07 Grow Iowa Values Fund		\$	1,000,000.00			\$	1,000,000.00								
FY08 Grow Iowa Values Fund		\$	1,000,000.00			\$	1,000,000.00								
FY09 Grow Iowa Values Fund	**	\$	811,000.00			\$	811,000.00								
FY10 Grow Iowa Values Fund (Contingent)	**	\$	900,000.00			\$	900,000.00								
Marine Fuel Tax				\$	1,643,041.53		\$	1,643,041.53							
Parks & Institutional Roads						\$	5,856,719.01	\$	5,856,719.01						
Total Funding		\$	49,562,399.83	\$	1,643,041.53	\$	5,856,719.01	\$	57,062,160.37						
Variance		\$	(84,807.46)	\$	-	\$	-								

Source: Budget and Finance Bureau
6/30/2009

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Honey Creek Resort State Park
Project Budget

In-Kind Matching

Rathbun Regional Water Association	\$928,000
Chariton Valley Electric Cooperative	\$877,170
Iowa Telecom	\$250,000
Total In-Kind Matching	\$2,055,170

Future Development:

RV Shelter and Restroom	\$250,000
Golf Cart Storage Building	\$100,000
Picnic Shelter and Restroom for day use area	\$100,000
Emergency Vehicle Access and Trail Bridge	\$4,500,000
Need to secure additional funding	\$4,950,000

* Items are completed; budget has been adjusted to reflect actual expenses.

** FY 09 Values funds were cut \$189K, not 20% as noted in letter from DED. FY 10 amount was cut to \$900,000 per legislation.